No. 99-1571

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In The

Supreme Court of the United States

TRAFFIX DEVICES, INCORPORATED,

Petitioner,

v.

MARKETING DISPLAYS, INCORPORATED,

Respondent.

On Writ Of Certiorari To The United States Court Of Appeals For The Sixth Circuit

BRIEF OF THOMAS & BETTS CORPORATION AS *AMICUS CURIAE* IN SUPPORT OF RESPONDENT

SIDNEY DAVID*
ROY H. WEPNER
LERNER, DAVID, LITTENBERG, KRUMHOLZ & MENTLIK, LLP
600 South Avenue West
Westfield, NJ 07090-1497
Tel: (908) 654-5000
Fax: (908) 654-7866

Counsel for Amicus Curiae Thomas & Betts Corporation

**Counsel of Record*

On the Brief:
JAMES D. HAY
LEWIS & MCKENNA
82 E. Allendale Road
Saddle River, NJ 07458
Tel: (201) 934-9800
Fax: (201) 934-8681

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INTEREST OF THE *AMICUS CURIAE*

Thomas & Betts Corporation ("T&B") respectfully submits this brief as *amicus curiae* in support of respondent Marketing Displays, Inc.[1]

T&B is a manufacturer of electrical components, including cable ties used for wrapping electrical wires. In 1962, T&B introduced a cable tie having a metal barb which allowed the long strap of the tie to be easily inserted into (but not pulled out of) the "head," thus holding the wires together tightly. The exterior of the head of T&B's cable tie had an oval shape.

T&B has continuously sold its cable tie with the oval-shaped head since 1962. In 1965, T&B obtained a utility patent on its cable tie having claims directed to the metal barb locking device but which nowhere mentioned the oval-shaped head. However, the oval-shaped head appeared in the specification. In 1966, T&B obtained a design patent which disclosed the metal barb, as well as the overall shape of T&B's cable tie, including the oval-shaped head.

While both of T&B's patents expired by 1982, T&B continued to sell its barbed cable tie with the oval-shaped head. In 1994, 32 years after T&B had introduced its cable tie and 12 years after T&B no longer had any patent protection, Panduit introduced a cable tie which not only

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[1] T&B has obtained the written consent of both parties which have been filed with this brief. This brief was not authored in whole or in part by counsel for either party, and no person or entity other than T&B has made a monetary contribution to the preparation or submission of this brief.

employed the metal barb locking device (which had been claimed in T&B's expired utility patent and which had been shown as part of the overall appearance in T&B's design patent), but which also copied the oval-shaped head.

T&B sued Panduit in the United States District Court for the Northern District of Illinois, alleging trade dress infringement under § 43(a) of the Lanham Act, 15 U.S.C. § 1125(a). In 1998, the Seventh Circuit rejected Panduit's argument that T&B's expired utility patent provided a complete and separate defense, and joined other courts in ruling that a utility patent may constitute nondispositive evidence of functionality. *See Thomas & Betts Corp. v. Panduit Corp.*, 138 F.3d 277 (7th Cir.), *cert. denied*, 525 U.S. 929 (1998) ("*T&B*"). The Seventh Circuit's decision in *T&B* has been repeatedly cited by the Sixth Circuit in the present case (Pet. App. 18a) and in substantially every prior brief before this Court, including an *amicus* brief filed by Panduit itself.

Panduit has continued to argue that T&B's expired utility and design patents constitute a separate and complete defense. T&B, as the owner of what it considers to be valid and valuable trade dress rights, is of course interested in having this Court adopt the views advocated by T&B and accepted by the Seventh Circuit in *T&B*, and in receiving from this Court a clarification of the law on this issue where the courts of appeal are in substantial agreement as to broad principles but may require "fine tuning" for which this case presents an appropriate vehicle.

SUMMARY OF ARGUMENT

As enunciated by the Seventh Circuit in *T&B* and by most other courts which have considered this issue, utility patents should constitute nondispositive evidence of functionality. The contention that a "right to copy" creates a separate and complete nonstatutory defense any time a claimed trade dress feature appears in any context in any expired patent, finds no support in the Constitution or in any statute. (*See* Part I.) Petitioner's argument for a "right to copy" arises out of fundamental misconceptions as to the nature of patent rights: patentees obtain only a negative right to exclude, and no affirmative right to use which can "enure" to the public. (*See* Part II.) While Petitioner and its supporters rely on broadly worded *dicta* from prior decisions of this Court, the more recent of those decisions all involved federal preemption of claims under state law, a doctrine having no relevance to trade dress claims under the federal Lanham Act. (*See* Part III.)[2]

Petitioner's position is also illogical and inconsistent. Given Petitioner's view that anything in the "public domain" is precluded from protection under the Lanham Act, there is no basis to erect a special defense to Lanham Act claims only where the trade dress claimant owned the expired patent. Taking Petitioner's "public domain" views to their logical conclusion would destroy trade

[2] The older decisions of this Court are even less pertinent: they issued before the Lanham Act was even enacted, and are not inconsistent in result with the majority view of the courts of appeal. *See, e.g., T&B*, 138 F.3d at 285-87 (International Trademark Association ("INTA") Br. at 10.)

dress protection (i) where any patent owned by any company or person showed the feature in question in any context, and (ii) where the feature, although never patented, could still be found in other "public domain" materials. Allowing this proposed special defense only where the trade dress claimant owns the expired patent would simply punish patent owners for disclosing their technological contributions in detail, and thereby frustrate the objectives of the patent laws. (*See* Part IV.)

The positions urged on behalf of Petitioner also fail to distinguish properly between (i) trade dress features which constitute all or part of the invention *claimed* in a utility patent (which may raise questions of functionality); (ii) nonfunctional features which are only *disclosed* in a utility patent (where the patent should be at most nondispositive evidence of functionality and should not bar protection where the disclosure is merely incidental) (*see* Part V.1); (iii) features which are neither disclosed nor claimed in an expired patent, but which were used by the patentee on its commercial product during the term of the patent (as to which the patent should be totally irrelevant) (*see* Part V.2); and (iv) features which appear only in *design* patents granted for ornamental inventions (in which the patent may properly be viewed as evidence of *non*functionality) (*see* Part VII).

Petitioner's extreme positions cannot be justified by fears that owners of numerous expired patents will oppress their competitors by claiming trade dress rights immediately after their patents expire. Petitioner ignores the heavy burden placed upon any party which is claiming trade dress protection in a product feature, irrespective of whether an expired patent is in the picture. For

example, this Court just recently confirmed that those claiming trade dress rights in unregistered product designs must always prove secondary meaning. Furthermore, the Seventh Circuit has held that secondary meaning must not primarily stem from the exclusivity created by a patent. (*See* Part VI.) These requirements, coupled with the claimant's burden of proving a likelihood of confusion and the recent enactment of 15 U.S.C. § 1125(a)(3), which places the burden on the claimant to prove nonfunctionality, will discourage baseless suits, increase the number of suits dismissed on summary judgment, and will assure that few claimants will be able to successfully enforce trade dress rights in product designs.

This Court should thus decline to create the sweeping new nonstatutory defense to Lanham Act claims urged on behalf of Petitioner, *i.e.*, that any appearance of a trade dress feature in an expired patent or on a formerly patented product constitutes a complete and separate defense to a Lanham Act claim.

ARGUMENT

I. THE PURPORTED RIGHT TO COPY APPEARS NOWHERE IN THE CONSTITUTION OR ANY PATENT STATUTE

Petitioner repeatedly suggests that the purported "right to copy" has a basis in the Constitution, or at least in some patent statute. For example, Petitioner argues that trademark law is a product of Congress's power under the Commerce Clause which "does not authorize

Congress to override other provisions of the Constitution" (Pet. Br. at 11; *see also id.* at 10) ("Congress has expressed no intent to repeal, or even just curtail, the public's right to copy from expired patents"). But neither Petitioner nor its supporters can point to anything in the "Writings and Discoveries" clause of the Constitution, art. I, § 8, cl. 8, or any other provision of the Constitution or any federal statute, which creates any affirmative right to use an invention upon expiration of a patent.

The closest one comes to teasing such a right out of the Constitution or any statute is the reference to "limited times" in the "Writings and Discoveries" clause of the Constitution, and the limited term set forth in 35 U.S.C. § 154. But those provisions can be read far more readily as simply establishing the right of Congress to create a scheme in which what is sometimes characterized as "the public's natural right not to be excluded" (M. Pollack Br. at 16-17) is restricted by inventors who are being given the right to exclude others from their inventions for "limited times," and the exercise of that constitutional authority by Congress. In contrast, the right to prevent confusion in the marketplace is set forth expressly in the Lanham Act, 15 U.S.C. § 1125(a), and this Court recently confirmed that the Lanham Act includes claims for trade dress in the form of product design. *See Wal-Mart Stores, Inc. v. Samara Bros., Inc.*, 120 S. Ct. 1339 (2000).

Even if one views this issue as a conflict between the Commerce and the Writings and Discoveries clauses of the Constitution, Petitioner and its supporters cite no authority for the proposition that either clause is of such transcendent importance as to require the other to give way. And even if a "right to copy" is determined to be

embraced (albeit unstated) in the Patent Code, when confronted with apparently conflicting statutes which are "capable of coexistence, it is the duty of the courts, absent a clearly expressed Congressional intention to the contrary, to regard each as effective." *T&B*, 138 F.3d at 285, quoting *Ruckelshaus v. Monsanto Co.*, 467 U.S. 986, 1018 (1984), quoting *Regional Rail Reorg. Act Cases*, 419 U.S. 102, 133-34 (1974).

Petitioner and its supporters cite no such expression of Congressional intent. On the contrary, the recent statutory recognition of the common law functionality defense in Lanham Act cases, *see* 15 U.S.C. § 1125(a)(3), demonstrates that Congress chose the functionality doctrine as the vehicle for preventing the Lanham Act from restricting the right to use utilitarian features of the type which might be patented.

II. THE ARGUMENTS OF PETITIONER AND ITS *AMICI* ARE PREMISED ON AN OUTDATED AND/OR INCORRECT VIEW OF THE PATENT LAWS

A central premise of Petitioner's position, as echoed by certain of the *amici*, is that a patentee enjoys the "exclusive right to practice" his or her invention during the term of the patent, but once the patent expires, that right to practice "enures" to the public. For example:

> To encourage innovation, the inventor of a new and useful advance is given "the exclusive right to practice the invention for a period of years." [*Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989)] at 151. In exchange, the inventor must disclose how to make the invention, 35

> U.S.C. 112, so that, after the patent expires, "the knowledge of the invention enures to the people, who are thus enabled without restriction to practice it and profit by its use." *United States v. Dubilier Condenser Corp.*, 289 U.S. 178, 187 (1933).

(U.S. Department of Justice ("DOJ") Br. at 1; *see also id.* at 7-8 and Pet. Br. at 2-3.)

The problem with this argument, which is cobbled together from broad statements of general principles in cases having nothing to do with the subtle balancing that is needed where two equally important federal statutory schemes are in ostensible conflict, is that the fundamental premise is incorrect. A patentee *does not* receive through the patent any right to practice an invention, let alone an exclusive right, for a limited period of time or for any period of time. While the law on this point was arguably confusing for many years, it is now indisputable that the only right received through a patent is the negative right to exclude others from making, using, and selling the invention defined by the patent's claims. Indeed, the owner of an expired patent may be prevented from practicing his or her own invention by other federal rights owned by others (including other unexpired patents) as well as other federal and state regulations.

Since a patent never gives its owner the right to practice the invention during the patent term, this nonexistent right cannot "enure" to the public upon expiration. All that occurs when a patent expires is that the patent itself ceases to be an impediment to the public's practice of the invention – that is, to the extent the public would have the right to practice the invention in the absence of the patent, the expiration of the patent removes that obstacle.

1. Prior to 1952, the Patent Act confusingly defined the rights given by a patent to the patentee as "the exclusive right to make, use, and vend the invention or discovery." 35 U.S.C. § 40 (1946). As explained in *King Instruments Corp. v. Perego*, 65 F.3d 941 (Fed. Cir. 1995):

> Before the 1952 Act, the Patent Act defined the bundle of rights in terms of "the exclusive right to make, use, and vend the invention or discovery." 35 U.S.C. § 40 (1946). This wording – defining the grant in terms of the right to make the invention, rather than the right to exclude others from making the invention – caused confusion.
>
> The 1952 Act, § 154, clarified that a patent empowered its owner "to *exclude others* from making, using, or selling" the invention. 35 U.S.C. § 154 (1952) (emphasis added). . . . Inventors possess the natural right to exploit their inventions (subject to the patent rights of others in a dominant patent) apart from any Government grant. . . . Thus, the 1952 Act clarified that a patent confers the right to exclude others from exploiting an invention. It does not confer the right to exploit the invention already possessed by the inventor.

Id. at 949.

These principles were reaffirmed in *Leatherman Tool Group, Inc. v. Cooper Indus., Inc.*, 131 F.3d 1011 (Fed. Cir. 1997):

> [T]he federal patent laws do not create any affirmative right to make, use, or sell anything. As the Supreme Court has stated, "[t]he franchise which the patent grants, consists altogether in the right to exclude every one from making,

> using, or vending the thing patented, without the permission of the patentee." *Bloomer v. McQuewan*, 55 U.S. 539, 548, 14 How. 539, 14 L.Ed. 532 (1852). . . . Therefore, the Supreme Court made clear that the patent laws provide a limited right to exclude others from making, using, or selling a claimed invention for a limited period of time, but afford no affirmative right to make, use, and sell a patented invention.

Id. at 1015.

The ability of a patentee to exploit a patented invention during its term may be prevented by other private rights, such as adversely held dominant patents. Likewise, legislation may create regulatory and other nonpatent impediments to the exploitation of a patented invention, *e.g.*, the inventor of a patent on a gun or a drug may be restricted or prohibited from its use. *See, e.g., Eli Lilly & Co. v. Medtronic, Inc.*, 496 U.S. 661, 669-70 (1990) (owner of patent on drug may be unable to exploit the patent for want of FDA approval).

2. Since a patent does not provide the owner with an affirmative right to use the invention during its term, it necessarily follows that the expiration of such patent does not vest in that owner – or in anyone else – the affirmative right to use the invention. "The expiration of a patent right is not a guarantee of a right to use. The right to make, use, or vend any given thing may be, and often is, subservient to several patents expiring at different times." *In re Heinle*, 342 F.2d 1001, 1005 (C.C.P.A. 1965). For example, when a product patent expires, the particular *use* of the product may still be prohibited by a

later patent. *Studiengesellschaft Kohle mbH v. Northern Petrochemical Co.*, 784 F.2d 351, 357 (Fed. Cir. 1986).

Thus, just as a patentee is not assured of the right to practice a patented invention during the patent term, a patentee likewise enjoys no guarantee that he or she will be able to practice the patented invention without restriction upon expiration. Accordingly, and notwithstanding *dicta* in this Court's opinions whose origins date back to an era when the nature of patent rights was sometimes mischaracterized as providing an affirmative right to make or use an invention (*see supra*), it is simply not true that an inventor obtains any right to practice a patented invention during the term of the patent. Consequently, that nonexistent right cannot "enure" to the public upon expiration of that patent.

3. "Patent expiration is nothing more than the cessation of the patentee's right to exclude held under the patent law." *Midwest Indus., Inc. v. Karavan Trailers, Inc.*, 175 F.3d 1356, 1362 (Fed. Cir.) (quoting *In re Mogen David Wine Corp.*, 328 F.2d 925, 930 (C.C.P.A. 1964)), *cert. denied*, 120 S. Ct. 527 (1999). Thus, for example, during the existence of the utility patent at issue in *T&B*, T&B had the right to exclude others from using a metal barb locking device in the head of a plastic cable tie. However, T&B's utility patent did not give T&B the right to prevent the use of an oval-shaped head in cable ties, unless that cable tie had the metal barb and other features claimed in the utility patent.

Upon expiration of T&B's utility patent, T&B lost the right to prevent others from using the metal barb locking device in the head of a plastic cable tie. But because

T&B's utility patent never gave T&B the right to exclude others from using oval-shaped heads *per se* on cable ties (a feature which was not part of the claimed invention in the patent, but merely happened to be disclosed incidentally in the specification of T&B's expired patent), the expiration of T&B's patent was a nonevent with respect to the oval-shaped head. To the extent T&B now has the right to prevent others from selling cable ties having oval-shaped heads causing confusion in the marketplace, that right arises under the Lanham Act (not the patent laws) as a result of decades of sales and advertising; and that right was not extinguished by the expiration of T&B's patent.

III. PREEMPTION DECISIONS BY THIS COURT ARE FAR FROM DISPOSITIVE

Aside from cases which predate the Lanham Act – *Singer Mfg. Co. v. June Mfg. Co.*, 163 U.S. 169 (1896), *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938), and *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945) – and thus do not and could not address the present situation where another federal right is involved, and which in large measure relied on what we would today call functionality (DOJ Br. at 11; INTA Br. at 10), Petitioner and some of its *amici* draw much of their arguments from three post-Lanham Act decisions of this Court: *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225 (1964), *Compco Corp. v. Day-Brite Lighting, Inc.*, 376 U.S. 234 (1964), and *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141 (1989). But *Sears*, *Compco*, and *Bonito Boats* were all attempts to restrict the sale of utilitarian products

through rights arising under *state* law. And in each case, this Court invalidated such claims based upon federal preemption under the Supremacy clause.

Petitioner and some of its supporters trivialize that significant fact and even ridicule it (*see, e.g.*, Holmes Group Br. at 3, 20). In doing so, they denigrate one of the most fundamental aspects of the federal system as a whole. Even the DOJ trivializes concerns relating to federal preemption to buttress its arguments. (DOJ Br. at 18.) While the DOJ concedes that *Sears* and *Compco* involved state unfair competition laws, the DOJ simply concludes, with nothing more than conjecture, that this Court would not have held a state prohibition on copying to be preempted by a federal law, if a federal statute – *i.e.*, the Lanham Act – could have been invoked to prohibit copying. (*Id.*)

First, while the Lanham Act has existed since 1946, Petitioner itself acknowledges that the scope of § 43(a) of the Lanham Act was not appreciated as encompassing the design of a product until much later. (Pet. Br. at 3, 26, noting that federal trade dress protection for product designs evolved well after *Sears* and *Compco* were decided.) Moreover, speculating as to whether the plaintiffs in *Sears* and *Compco*, under their particular facts and circumstances, might have asserted a claim under the Lanham Act is useless because the fact is they did not. Thus, this Court was obligated to deal with the situations as presented, in which the plaintiffs were only seeking relief under state law. Nor is the present Petitioner's decision to sue under the Lanham Act rather than under state law "wholly extraneous" to *Sears* and *Compco* (Holmes Group Br. at 21) or "happenstance" (*id.* at 9),

given the fact that federal law can preempt state law claims, but cannot preempt claims arising under another federal law.

Ironically, while Petitioner and some of its *amici* argue that *Sears*, *Compco*, and *Bonito Boats* should be applied to federal claims under the Lanham Act, nobody has an adequate response to this Court's statement in *Compco* that a right to copy may be restricted by "other federal statutory protection. . . . " *Compco*, 376 U.S. at 238. At least two courts of appeal have expressly held that the Lanham Act is included under the rubric of "other federal statutory protection," *Ferrari S.P.A. Esercizio v. Roberts*, 944 F.2d 1235, 1241 (6th Cir. 1991), and *T&B*, 138 F.3d at 287, while none have held to the contrary.

In fact, only the DOJ attempts to address *Compco*'s "other federal statutory protection" language, arguing that the functionality doctrine prevents unpatented "utilitarian conceptions" from receiving trade dress protection. (DOJ Br. at 19 n.7.) But the DOJ bases its position primarily on the federal preemption cases, which beg the question of competing *federal* rights. Moreover, the functionality doctrine to which the DOJ refers never suggested that *all* "utilitarian conceptions" be excised from the scope of the Lanham Act. On the contrary, this Court has recognized that the only "utilitarian conceptions" so barred are features which are "essential to the use or purpose of the article" or which affect the cost or quality of the article, whereby exclusive use of the feature would put competitors at a significant nonreputation-related disadvantage. *Qualitex Co. v. Jacobson Prod. Co.*, 514 U.S. 159, 165 (1995). In fact, the DOJ itself acknowledges that

not all details disclosed in a patent are eliminated from Lanham Act protection. (*See infra* Part V.)

IV. PETITIONER PROVIDES NO REASON TO DESTROY ONLY THE LANHAM ACT TRADE DRESS RIGHTS OF FORMER PATENT OWNERS

Petitioner and some of its *amici* argue that trade dress rights under the Lanham Act should be denied only to former owners of patents, without considering other scenarios. But if Petitioner is correct in asserting that all material disclosed in expired patents must become available to the public, that should also be true if the feature is found in an expired patent owned by a third party. Moreover, Petitioner's view that materials which enter the public domain must be available to all without restriction would necessarily apply to subject matter which was *never* patented for whatever reason. Taken to its logical conclusion, Petitioner's position would effectively engraft onto the already onerous requirements needed to obtain trade dress protection (secondary meaning, nonfunctionality, and likelihood of confusion) a requirement of novelty which exists only in the patent laws.

1. This case, like many others, follows a typical model (Hypothetical 1): Company A obtains a utility patent containing claims to a specific combination of elements; Company A sells a commercial product covered by the patent claims; Company A's patent expires; Company B copies Company A's commercial product; and Company A asserts trade dress rights against Company B for a product feature in Company A's commercial product which was at least disclosed (and, in some cases,

claimed) in the patent, and which (by this time) has acquired secondary meaning.

Suppose instead (Hypothetical 2) Company A obtains a utility patent which later expires; Company C sells a commercial product and develops trade dress rights in a feature which happens to have been disclosed in Company A's patent; Company B copies Company C's commercial product; and Company C sues for trade dress infringement. In both hypotheticals, if Petitioner is correct, the expiration of Company A's patent purportedly vested Company B with an absolute right to exploit whatever is disclosed in Company A's expired patent, a right which cannot be questioned by Company A in Hypothetical 1 or by Company C in Hypothetical 2.

If indeed there can be no trade dress rights in a product feature disclosed in an expired patent belonging to the trade dress owner *or anyone else*, trade dress litigation is likely to degenerate into disputes in which the "prior art" is scoured by the copier in search of *any* patent, belonging to anyone, no matter how old, which happens to disclose the trade dress feature in order to establish a defense. In full effect, to prevail in a trade dress claim under the Lanham Act, a claimant would not only have to prove all existing elements of a claim, but also that the trade dress feature is novel. In a very real sense, a patentability statute, 35 U.S.C. § 102, would be imported into trade dress law. Few if any trade dress features would survive such an analysis. And each time this "novelty" defense prevailed, the public would lose the ability to distinguish between competing products in the marketplace by virtue of distinctive, nonfunctional trade dress features.

2. The only possible basis for limiting the special "expired patent" defense urged by Petitioner to owners of expired patents is the notion that the former patentee (Company A in both Hypotheticals 1 and 2 above), as contrasted with an interloper (*e.g.*, Company C in Hypothetical 2 above), was a party to the "carefully crafted bargain" whereby the patentee received the benefit of the right to exclude others for a limited period of time. (Pet. Br. at 2-3, citing *Bonito Boats*, 489 U.S. at 150-51.) However, given this Court's stated aversion to discriminating against certain categories of trademarks with "special legal rules," *Qualitex*, 514 U.S. at 174, or "superfluous" requirements, *Two Pesos, Inc. v. Taco Cabana, Inc.*, 505 U.S. 763, 773-74 (1992), limiting this "expired patent" defense to patents which were owned by the trade dress claimant would constitute illogical and counterproductive discrimination against patentees based solely on their having enriched the art by disclosing an invention in unnecessary detail.

The effect of such discrimination on the patent system could be very harmful. For example, if this Court were to hold that every feature "found" in a patent is barred from trade dress protection even if it is not part of the claimed invention (Panduit Br. at 7-10), a view rejected by the DOJ (*see infra* Part V), this would prompt patent applicants to hold back on disclosing incidental details in their patent application. Even worse, the risk of possible loss of trade dress rights might convince certain innovators to forgo patent protection altogether.

3. But even forgoing patent protection might not be enough to escape from Petitioner's arguments carried to

their logical conclusion. If Petitioner is correct in asserting that material in the "public domain" is ineligible for protection under the Lanham Act, there would seem to be no reasoned basis for limiting this rule to only materials that enter the public domain by way of an expired patent.

Suppose a product feature appeared in *Popular Mechanics*, but the person who created the feature never obtained a patent. If one accepts the arguments of Petitioner that Lanham Act trade dress rights cannot obstruct access to materials in the public domain, why should there be a distinction between product features which entered the public domain upon expiration of a patent and those which entered the public domain through other channels such as textbooks, foreign patents, and the like? Indeed, one of this Court's decisions relied on heavily by Petitioner suggests that no such distinction is legitimate. "An unpatentable article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever chooses to do so." *Sears*, 376 U.S. at 231.

Here again, the only conceivable basis for this distinction is the argument that the patentee received the benefit of the "carefully crafted bargain" which was discussed above and shown to be wanting. The effect of distinguishing between features shown in expired patents and features appearing elsewhere in the public domain is unnecessary and harmful discrimination against innovators who played by the rules of the patent system and made valuable public disclosures of technology.

V. THE EXTREME VIEWS ESPOUSED BY PETITIONER AND ITS SUPPORTERS ARE UNSUPPORTED AND UNWISE

There is no basis to erect any special absolute "expired patent" defense in Lanham Act trade dress cases, because the functionality doctrine – properly applied – should satisfy the concerns raised by Petitioner. This view is endorsed by the DOJ, which supports Petitioner because it disagrees with the Sixth Circuit's functionality analysis in this case (DOJ Br. at 12-26), and by the International Trademark Association ("INTA"), which supports neither side (INTA Br. at 15-22). Still, at least one circuit has arguably created such a special defense, *see Vornado Air Circulation Sys., Inc. v. Duracraft Corp.*, 58 F.3d 1498 (10th Cir. 1995), *cert. denied*, 516 U.S. 1067 (1996), although a proper functionality analysis in that case would likely have yielded the same result.

Even if this Court agrees that existing defenses are inadequate, it should nevertheless resist Petitioner's extreme arguments urging that (i) every single feature which happens to be disclosed in a patent – even if not claimed – becomes ineligible for Lanham Act protection, even if it is nonfunctional and has acquired secondary meaning; and (ii) even features which are not disclosed at all in a patent are disqualified from protection if they were used by a patentee on its patented commercial product.

1. An extreme rule whereby features which are only incidentally disclosed in a patent are disqualified from protection would be wrong for the reasons already given, and also because recognizing Lanham Act rights in only

distinctive and nonfunctional features will impose only a miniscule limitation on the otherwise broad right of the public to practice the subject matter of an expired patent.

Suppose the ABC Chair Co. had a patent on the original chair; that, for whatever reason, the illustrative embodiment in the specification of that patent depicted a purple bow wrapped around one of the legs; that the patentee always sold its chairs with such a purple bow, both during and long after the term of the patent; and that as a result of years of use and advertising, the purple bow had developed a secondary meaning in the marketplace, uniquely associating the purple bow with the patentee. If a competitor then wished to make and sell chairs after the patent expired (and assuming that there were no other unexpired patents or other laws restricting the right to make certain chairs), the competitor could freely produce countless chairs which would have previously come within the scope of the claims of the now-expired patent. The one and only thing the competitor could not do is sell a chair with a purple bow wrapped around a leg.

In such a situation, the public's right to exploit and enjoy the invention which was previously disclosed in the expired patent is restricted, but only to the most minimal degree. The legitimate competitor surely does not need to sell its chairs with a purple bow to compete effectively; on the contrary, assuming there is secondary meaning in the purple bow (identifying to the public that the chairs come from the ABC Chair Co.), the only conceivable reason for the competitor to do so is to create confusion in the marketplace as to the source of the chairs.

Perhaps for this reason, the DOJ, which for fact-specific reasons supports Petitioner, concedes that "the expiration of a patent affords the public a *virtually* unrestricted right to copy the invention." (DOJ Br. at 8 (emphasis added).) The DOJ agrees that mere mention of a feature in a patent does not necessarily establish functionality (and thus a denial of trade dress protection), since nonfunctional shapes and configurations may be described or pictured as an "incidental detail" in utility patents. (*Id.* at 14, quoting 1 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION § 7:89, 7-227 (4th ed. 2000).) And the DOJ also cautions against a broad rule sweeping away Lanham Act protection on "every jot and tittle of the patentee's product design," including "wholly arbitrary elements that serve no purpose other than to indicate the product's origin." (DOJ Br. at 19.)

The DOJ is correct. To date, not one court of appeals has adopted the extreme view urged by Petitioner and certain *amici*. Even in the one reported appellate decision in which an arguably separate "expired patent" defense was recognized, the court required that the feature not only be claimed but that it must also be a "significant inventive aspect" of the invention. *See Vornado*, 58 F.3d at 1510.[3]

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[3] The words of that legal test appear to abandon the well-established concept of functionality, with which the federal courts have long been familiar, *see Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 611 (N.D. Ill. 1996), in favor of a "significant inventive aspect" test which, in actual practice, might collapse into the functionality doctrine. T&B submits that the result in *Vornado* would have been reached with a more exacting functionality analysis.

No other court has even gone so far as to erect a separate "expired patent" defense, let alone a defense which applies to incidental features disclosed in a patent. Early in the *T&B* litigation, the Seventh Circuit stated:

> Panduit's theory is that when the patent expired the entire product fell into the public domain and became freely copyable. That considerably overstates matters. The patented portion of the product entered the public domain, but "the product" did not. Panduit does not contend, for example, that it could copy the cable tie to the last detail, including the Thomas & Betts logo and similar identifying marks. Non-functional elements of the product's design can serve a role similar to logos and therefore may be protected as trademarks.

Thomas & Betts Corp. v. Panduit Corp., 34 U.S.P.Q.2d (BNA) 1607, 1608 (7th Cir. 1994).[4] The same court subsequently held that a utility patent must be examined in detail to determine whether the feature is primarily functional or just incidentally appears in the disclosure of the patent. *T&B*, 138 F.3d at 300 (citing McCarthy, § 6:10). The Seventh Circuit thus correctly concluded that the right to copy established in the cases now relied upon by Petitioner "is far from absolute." *T&B*, 138 F.3d at 287.

2. Petitioner and certain *amici* go so far as to urge that a feature be disqualified from Lanham Act protection whenever it was used by the patentee on its commercial product sold under the patent (M. Pollack Br. at 2 ("the

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[4] The DOJ similarly cautions against an "absolutist" approach to this issue. (DOJ Br. at 19-20, citing *Bonito Boats*, 489 U.S. at 154.)

public obtains a property right not to be excluded from full commercial exploitation of *the activity formerly practiced under the patent*. . . . " (emphasis added)); Panduit Br. at 6-7 (urging right to make "the thing formerly covered by the patents. . . . ") They assert these rights to exist *even if the feature is neither claimed nor even disclosed in a patent*, if the patentee chose to employ the feature on its patented commercial product. In the ABC Chair Co. hypothetical discussed above, they would urge that the purple bow could not be protected even if it was never disclosed in the patent as long as the ABC Chair Co. (or perhaps even a licensee) merely used the feature on its patented chair (continuously? often? once? – no one says).

This position fails for all the reasons already given, plus the fact that, in this scenario, the "carefully crafted bargain" said to support the patent system has nothing to do with the feature at issue, which enjoyed no protection whatsoever under the patent. In full effect, according to those *amici* who take this extreme view, the very use of the feature in commerce which creates trade dress rights under the Lanham Act would simultaneously destroy those rights.

3. Contrary to Petitioner's contentions, no great advance will be achieved by making draconian changes. If this Court agrees with the DOJ that trade dress features which were claimed in expired patents are often so clearly functional that they should not survive a summary judgment motion (DOJ Br. at 20), many weak claims will be dismissed under the current legal framework employed by the circuits. Changing the law in a quest for incremental simplicity will defeat legitimate claims, while

the need for a whole new set of rules to address a whole new set of problems will in fact make the desired simplicity illusory.

VI. CONCERNS REGARDING THE PURPORTED EASE OF ESTABLISHING SECONDARY MEANING ARE UNFOUNDED

This Court in *Wal-Mart* recently confirmed that secondary meaning must always be shown with product designs. Still, the DOJ expresses concern that the requirement of secondary meaning for product configuration trade dress is "not an effective barrier" against trade dress which is undeserving of protection (DOJ Br. at 21 n.9) (citing a district court decision which noted that it is "no great trick to build up secondary meaning in a product configuration if [competitors] are kept from utilizing that configuration for 17 years by the sword and shield of patent protection."). *Id.* at 16 (citing *Zip Dee, Inc. v. Dometic Corp.*, 931 F. Supp. 602, 615 (N.D. Ill. 1996).)

But as another *amicus* has pointed out (INTA Br. at 12 n.4), any concern that secondary meaning is too easily proven can be addressed by the Seventh Circuit's rule that "evidence establishing secondary meaning must also show that any connection between the trade dress of the product and its producer does not primarily stem from the expired patent." *T&B*, 138 F.3d at 294. Such an approach would assure that products going "off patent" will not readily be asserted to have qualified for trade dress protection without a strong showing of secondary meaning – a showing that can be difficult to make. (*See infra* note 5.)

VII. THIS CASE DOES NOT INVOLVE DESIGN PATENTS, BUT IF IT DID, THE ARGUMENTS IN FAVOR OF A SEPARATE DEFENSE WOULD BE EVEN WEAKER

The questions presented by the Petitioner and the Respondent in this case were both expressly limited to the impact of expired *utility* patents on trade dress rights under the Lanham Act. However, at least two *amici* supporting Petitioner have urged this Court to declare trade dress features unprotectable if claimed in an "expired patent" (Panduit Br. at 11; M. Pollock Br. at 2, 21) – *any* type of expired patent, utility or design. Should the Court choose to address the impact of design patents themselves on trade dress rights, the Court should conclude that design patents in and of themselves present no basis at all for destroying trade dress rights, because design patents are awarded for designs which are "ornamental," not functional. 35 U.S.C. § 171. As this Court explained long ago in *Gorham Mfg. Co. v. White*, 81 U.S. (14 Wall.) 511 (1872):

> The acts of Congress which authorize the granting of patents for designs were plainly intended to give encouragement to the decorative arts. *They contemplate not so much utility as appearance, and that, not an abstract impression, or picture, but an aspect given to those objects mentioned in the acts. . . .* And the thing invented or produced, for which a patent is given, is that which gives *a peculiar or distinctive appearance* to the manufacturer, or article to which it may be applied, or to which it gives form.

Id. at 524-25 (emphasis added).

In *In re Mogen David Wine Corp.*, 328 F.2d 925 (C.C.P.A. 1964), the Federal Circuit's predecessor rejected the argument that a design patent precluded issuance of a trademark registration:

> In our opinion, trademark rights, or rights under the law of unfair competition, which happen to continue beyond the expiration of a design patent, do not "extend" the patent monopoly. They exist independently of it, under different law and for different reasons. The termination of either has no legal effect on the continuance of the other. When the patent monopoly ends, it ends. The trademark rights do not extend it. We know of no provision of patent law, statutory or otherwise, that guarantees to anyone an absolute right to copy the subject matter of any expired patent. Patent expiration is nothing more than the cessation of the patentee's right to exclude held under the patent law. Conversely, trademarks conceivably could end through non use during the life of a patent. We doubt it would be argued that the patent rights should also expire so as not to "extend" them [i.e., the trademark rights].

Id. at 930.[5] *See also W.T. Rogers Co. v. Keene*, 778 F.2d 334, 337 (7th Cir. 1985) (35 U.S.C. § 171 "does not prevent the

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[5] The court in *Mogen David* remanded for a determination of whether the decanter had acquired secondary meaning. 328 F.2d at 932. In a subsequent appeal which illustrates the difficulty which already exists in establishing secondary meaning even where a patent was present, the court reaffirmed its foregoing holding, *In re Mogen David Wine Corp.*, 372 F.2d 539, 540 (C.C.P.A. 1967), but concluded on the merits that the decanter had not acquired secondary meaning. *Id.* at 541-42.

enforcement of a common law trademark in a design feature").

In *In re Honeywell*, 497 F.2d 1344 (C.C.P.A. 1974), the Patent and Trademark Office ("PTO") had refused to register as a trademark the configuration of a thermostat, features of which appeared in an expired design patent. The Federal Circuit's predecessor noted that earlier decisions involving utility patents turned on whether the subject matter was functional, with the utility patents providing some evidence of possible functionality. However, the court rejected the PTO's argument that the same principles which apply to utility patents should apply when federal trademark rights are sought for nonfunctional subject matter disclosed in design patents. *Id.* at 1348. It reaffirmed *Mogen David*'s clear distinction between federal trademark and design patent laws, and concluded that the public interest in protecting against confusion must prevail over any argument that trademark rights are an "extension" of design patent rights, so long as the trademark is nonfunctional and serves as a means to distinguish the owner's goods from those of others. *Id.*

Thus, contrary to what certain *amici* would have this Court hold, if a design patent is to have any impact on a Lanham Act trade dress claim, it should (as with utility patents) constitute evidence relating to possible functionality; but often the existence of the design patent will favor *the claimant*, rather than the accused infringer. As noted in *Krueger Int'l, Inc. v. Nightingale Inc.*, 915 F. Supp. 595, 605 (S.D.N.Y. 1996), "The existence of a design patent . . . is relevant to the functionality defense. Because a design patent is granted only for non-functional designs,

it can serve as evidence that a plaintiff's trade dress is not functional." *See also In re R.M. Smith, Inc.*, 734 F.2d 1482, 1485 (Fed. Cir. 1984) ("The existence of a design patent may be some evidence of non-functionality.").

CONCLUSION

Accordingly, this Court should affirm the judgment of the court of appeals.

Respectfully submitted,

SIDNEY DAVID*
ROY H. WEPNER
LERNER, DAVID, LITTENBERG,
KRUMHOLZ & MENTLIK, LLP
600 South Avenue West
Westfield, NJ 07090-1497
Tel: (908) 654-5000
Fax: (908) 654-7866

Counsel for Amicus Curiae
Thomas & Betts Corporation

**Counsel of Record*

On the Brief:
JAMES D. HAY
LEWIS & MCKENNA
82 E. Allendale Road
Saddle River, NJ 07458
Tel: (201) 934-9800
Fax: (201) 934-8681